



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN

Chief Administrative Officer

Board of Supervisors

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April 15, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 3 TO LEASE NO. 65676
INFORMATION SYSTEMS ADVISORY BODY
12750 CENTER COURT DRIVE, SUITE 500, CERRITOS
(FOURTH) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the attached lease amendment with Equity Office Properties, LLC, (Lessor) for 20,187 square feet of office space and 81 parking spaces for the Information Systems Advisory Body (ISAB), which will extend the existing lease term for five years at an initial annual rental rate of \$448,152, with a right to cancel after two years.
2. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.
3. Approve the project and authorize the Chief Administrative Office (CAO) and ISAB to implement the project.

The Honorable Board of Supervisors
April 15, 2003
Page 2

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current lease for this facility expires April 30, 2003. ISAB requested that a lease extension be executed for the non-interrupted continuance of their operations at the facility. The proposed amendment to extend the lease must be approved by your Board.

The Internal Services Department (ISD) programming staff, District Attorney (DA) Systems Division and ISAB are co-located to develop and support Criminal Justice Information Systems which provide support to both departmental systems and inter-departmental systems within the Criminal Justice Enterprise. The Criminal Justice Enterprise includes the Los Angeles County Sheriff, Superior Court, District Attorney, Public Defender, Coroner and Alternate Public Defender.

This particular facility was specifically designed for ISAB personnel and equipment. On site is expensive high-speed County data communication and workstation equipment which improves County and vendor development productivity and provides a connection to ISD's Downey Data Center. It has been determined that the cost to duplicate the tenant improvements at this facility and move the applicable computer equipment to another location would be in excess of \$600,000.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we improve the workplace environment in order to enhance quality and productivity (Goal 2, Strategy 2) and that we strengthen the County's fiscal capacity (Goal 4). In this case, we are consolidating multiple departmental functions and housing in accordance with the Strategic Asset Management Principles, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease amendment will continue to house ISAB in 20,187 square feet of office space and 81 parking spaces for \$37,346 per month, or \$448,152 annually, providing an initial 6.6 percent reduction in County cost for the five-year term of the lease extension.

12750 Center Court Drive, 5th floor	Existing lease	Proposed Amendment No. 3	Change
Area	20,187	20,187	None
Term	4/27/00 to 4/30/03 (3 yrs)	5/01/03 to 4/30/08 (5 yrs)	+2 years
Annual Rent	\$480,132 (\$23.78/sq.ft.)*	\$448,152 (\$22.20/sq.ft.)	-\$1.58/sq.ft.
TI allowance	\$21,000 (\$1.04/sq.ft.)	\$100,935 (\$5/sq.ft.)	+\$3.96/sq.ft.
Parking Included in Rent	81	81	None
Cancellation	after 18 months with 120 days notice	after 2 years with 120 days notice	6 months
Rental Adjustment	Pro rata share (14.39%) of potential operating expense increases	New base year (2003)	None

* Includes operating expense increases to date

This is a full-service lease whereby the Lessor is responsible for all operating costs associated with the County's occupancy. Included in the rent is a \$5 per square foot, or \$100,935, tenant improvement (TI) allowance to be used for necessary refurbishment of the existing space. The rental rate is \$1.85 per square foot per month, or \$448,152 annually, and is fixed for the term of the lease. There are no automatic consumer price index (CPI) adjustments during the term of the lease, though the County may be assessed its pro rata share of operating expense increases over a 2003 base year, as applicable, during the County's occupancy. Parking is included in the indicated rental rate.

The rental cost for ISAB is a net county cost (NCC). Sufficient funds are available for this project in the Rent Expense Budget for fiscal year 2002-03 and will be charged as follows: ISD 40%; ISAB 36%; and DA 24% percent. Sufficient funding has been included in the 2003-04 department budgets to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County has been housed at this location since April 1992 on a single secured floor for the described computer operations cooperative when the office space was improved for County use. After extensive consideration of alternative locations during the term of the County's

tenancy, it was requested by ISAB and determined by this office to be in the best interest of the County that the lease be extended in order to continue effectively the uninterrupted consolidated operations at this location. Additionally, maintaining this facility prevents the potential duplication of costs regarding moving and improvements in the event of its possible consolidation with a future centralized County Data Center.

The proposed five-year lease amendment provides for 20,187 square feet of office space and 81 parking spaces. The amendment contains the following provisions:

- Commencement of new rent and term upon conclusion of existing lease term and approval by your Board;
- A full-service gross basis with the Lessor responsible for all operating and maintenance costs;
- A \$100,935, or \$5 per square foot TI allowance included in the base rental rate for deferred maintenance related to carpet and paint;
- A cancellation provision at or anytime after two years by giving 120 days prior written notice and paying a cancellation fee equal to any unamortized TI costs incurred by the Lessor.

This office conducted a survey of the area to determine the availability of comparable and more economical sites. Based upon said survey, staff has established that the rental range for similar office space is between \$21.00 and \$27.00 per square foot per year on a full-service gross basis. Thus, the base annual rent of \$22.20 per the proposed lease represents the lower range of comparable market rates for the area. Attachment B shows County owned and leased facilities within the search area for this program and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works has considered this facility and found it suitable for the County's occupancy.

The proposed lease is too small for childcare facilities to be incorporated into the premises' area. Additionally, the construction and operational costs associated with a childcare facility at this location are not financially feasible at this time, particularly in light of the pending data center study.

The Honorable Board of Supervisors
April 15, 2003
Page 5

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO and ISAB that the proposed lease amendment is in the best interest of the County and will adequately provide the necessary space for this continuing County requirement. In accordance with your Board's policy on the housing of any County offices or activities, ISAB concurs in this lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return four originals of the executed Lease and Agreement, two certified copies of the Minute Order and the adopted, stamped Board letter to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:NCH:hd

Attachments (4)

c: County Counsel
Auditor-Controller
District Attorney
Information Systems Advisory Body
Internal Services Department

Attachment A

INFORMATION SERVICES ADVISORY DEPARTMENT
12750 CENTER COURT DRIVE, CERRITOS

Asset Management Principles Compliance Form

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ² ISAB is a consortium of DA and ISD in support of various countywide departments			X
C	Does this lease centralize business support functions? ²	X		
D	Does this lease meet the guideline of 200 sf of space per person? ² Ratio slightly over. Allows for minimal growth and contractors. Ratio = 1/206	X		
2. <u>Capital</u>				
A	Should program be in leased space to maximize State/Federal funding?	X		
B	If not, is this a long term County program?	X		
C	Is it a net County cost (NCC) program? 100%	X		
D	If yes to 2 B or C; capital lease or operating lease with an option?		X	
E	If no, are there any suitable County-owned facilities available?		X	
F	If yes, why is lease being recommended over occupancy in County-owned space? Eventually plan to have as part of consolidated Data Center			
G	Is Building Description Report attached as Attachment B?	X		
H	Was build-to-suit or capital project considered?		X	
3. <u>Portfolio Management</u>				
A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?	X		
D	Why was this program not co-located?			
	1. ___ The program clientele requires a stand alone facility.			
	2. ___ No suitable County occupied properties in project area.			
	3. ___ No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. X The Program is being co-located.			
E	Is lease a full service lease? ²	X		
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?			

Please **BOLD** any written responses

Attachment

B

SPACE SEARCH-2-MILE RADIUS OF 12750 CENTER COURT DRIVE, CERRITOS

	FACILITY NAME	ADDRESS	SQ.FT. GROSS	SQ. FT. NET	AVAIL SQ FT
0005	LOS CERRITOS MUNICIPAL COURT	10025 E FLOWER ST, BELLFLOWER 90706	34647	110286	OWNED NONE
4401	DHS-BELLFLOWER HEALTH CENTER	10005 E FLOWER ST, BELLFLOWER 90706	9053	15524	OWNED NONE
5685	NORWALK SUPERIOR COURT	12720 NORWALK BLVD, NORWALK 90650	111898	225008	OWNED NONE
6059	DOWNEY ADMIN CTR-ADMINISTRATIVE CENTER BLDG	9150 E IMPERIAL HWY, DOWNEY 90242	264536	327972	OWNED NONE
A007	ASSESSOR-NORWALK REG OFFICE/SHERIFF-RECORDS	12440 (B) FIRESTONE BLVD, NORWALK 90650	8214	8350	LEASED NONE
A022	ASSESSOR-NORWALK MAJOR PROP/ALT PUB DEFENDER	12440 (A) FIRESTONE BLVD, NORWALK 90650	5853	6310	LEASED NONE
A068	SHERIFF-THE BECHTEL BUILDING-IMPERIAL CENTRE	12440 E IMPERIAL HWY, NORWALK 90650	68450	72300	LEASED NONE
A080	PUBLIC LIBRARY-ARTESIA LIBRARY	18722 S CLARKDALE AVE, ARTESIA 90701	4752	5439	LEASED NONE
A126	CRIMINAL JUSTICE INFORMATION SYSTEM/ISD-ISAB	12750 CENTER COURT DR, CERRITOS	19044	20187	LEASED NONE
A186	SHERIFF-PARKING ENFORCEMENT OFFICE	18300 GRIDLEY RD, ARTESIA 90701	1829	2032	LEASED NONE
A237	SHERIFF-LAKEWOOD CITY HALL ANNEX	5130 CLARK AVE, LAKEWOOD 90712	6346	7466	LEASED NONE
A293	SHERIFF-BELLFLOWER SUBSTATION	16615 BELLFLOWER BLVD, BELLFLOWER 90706	6700	7400	LEASED NONE
A358	DPSS-COMPUTER SERVICES/ LEADER PROGRAM OFFICE	14714 CARMENITA RD, NORWALK 90650	42038	44250	LEASED NONE
A403	MENTAL HEALTH-RIO HONDO M H SERVICES	17707 STUDEBAKER RD, CERRITOS	17487	27640	LEASED NONE
B252	DHS-HAWAIIAN GARDENS HEALTH CENTER	22310 WARDHAM AVE, HAWAIIAN GARDENS 90716	2168	2526	LEASED NONE
B260	PUBLIC LIBRARY-HAWAIIAN GARDENS LIBRARY	12100 E CARSON ST, HAWAIIAN GARDENS 90716	3598	3992	LEASED NONE
B580	BD OF SUP-4TH DISTRICT/ PW-INC CITY OFFICES	5050 CLARK AVE (CITY HALL), LAKEWOOD 90712	400	421	LEASED NONE
B600	PUBLIC LIBRARY-GEORGE NYE JR LIBRARY	6600 DEL AMO BLVD, LAKEWOOD 90713	6136	7394	LEASED NONE
B632	PW-INC CITY OFFICE (LA MIRADA)	13700 LA MIRADA BLVD (CITY HALL), LA MIRADA	102	112	LEASED NONE
D210	PUBLIC LIBRARY-ALONDRA LIBRARY	11949 E ALONDRA BLVD, NORWALK 90650	5061	6808	LEASED NONE
D221	DPSS-NORWALK AP DISTRICT OFFICE	12727 NORWALK BLVD, NORWALK 90650	30928	40500	LEASED NONE
X168	HARRY HUFFORD REGISTRAR-RECORDER/CO CLERK BLD	12400 E IMPERIAL HWY, NORWALK 90650	240600	262510	OWNED NONE

**AMENDMENT NO. 3 TO LEASE NO. 65676
INFORMATION SYSTEMS ADVISORY BODY
12750 CENTER COURT DRIVE, CERRITOS**

THIS AMENDMENT NO. 3 to Lease No. 65676, made and entered into this_____day of _____, 2003.

BY AND BETWEEN EOP-Cerritos Towne Center, LLC, a Delaware limited liability company, hereinafter referred to as "Lessor"

AND COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "Lessee"

W I T N E S S E T H

WHEREAS, EOP-CERRITOS TOWNE CENTER, L.L.C., is the successor interest to Spieker Properties, L.P., "former Lessor," and as such, assumes all obligations of former Lessor pertaining to Lease No. 65676, (the "Lease") originally entered into on December 10th, 1991, whereby a former Lessor leased to Lessee approximately 20,187 gross square feet of office space in a building located at 12750 Center Court Drive, Cerritos for a basic term of sixty (60) months, and;

WHEREAS, AMENDMENT NO. 1 to said Lease No. 65676 was made and entered into on April 8th, 1997, and the lease was extended for a period of thirty-six (36) months subject to the conditions contained therein, and;

WHEREAS, AMENDMENT NO. 2 to said Lease No. 65676 was made and entered into on February 29, 2000, and the lease was extended for a period of thirty-six (36) months and four days subject to the conditions contained therein, and;

WHEREAS, the parties desire to extend said Lease term for an additional sixty (60) months;

NOW THEREFORE, and in consideration of the mutual covenants, promises, and conditions hereinafter contained, the parties hereby agree to amend said Lease No. 65676 as follows:

1. **TERM:** Paragraph 1. of lease No. 65676, Amendment No. 2, is amended as follows:

Extension of Term. The term of the lease is extended for sixty (60) months and shall expire April 30, 2008.

2. **RENT:** Paragraph 2. of lease No. 65676, Amendment No. 2, is amended as follows:

Rent. The Lessee hereby agrees to pay as rent for said demised Premises during the extended term the sum of \$37,346 per month, i.e. \$1.85 per rentable square foot per month, payable in advance by Auditor's General Warrant. Rental payments shall be payable within fifteen days after the first day of each and every month of the

term hereof provided Lessor has caused a claim therefor for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

3. **OPERATING EXPENSES:**

Paragraph 3. of lease No. 65676, Amendment No. 2, is amended as follows:

Operating Expenses. Per Paragraph 26 of lease No. 65676, Operating Costs, the “Base Year” shall be amended to reflect year 2003 operating expenses associated with the building and project. Applicable costs in excess of the base year will be paid by Lessee based on its pro rata share of such costs.

4. **TENANT IMPROVEMENTS:**

Paragraph 4. of lease No. 65676, Amendment No. 2, is amended as follows:

Tenant Improvements. Lessor agrees to provide Lessee with an allowance of \$5 per rentable square foot (i.e. \$100,935) to be used toward Lessee’s special requirements, including carpet, paint, or other items as deemed necessary by Lessee. All work related to said improvements shall be performed by Lessor, the prompt timing and completion of which shall be coordinated with Lessee, and completed after normal business hours and/or on weekends per mutual agreement. All improvement costs subject to review and approval by Lessee by the Chief Administrative Office Real Estate Division. Any unused allowance, if applicable, to be credited the County.

In addition and apart from the aforementioned allowance, Lessor to replace any defective and/or stained ceiling tiles, lights/lenses and mini-blinds where applicable. The Premises shall meet all applicable City, County, State and Federal building codes, regulations and ordinances for beneficial occupancy.

5. **CANCELLATION:**

Paragraph 5. of lease No. 65676, Amendment No. 2, is amended as follows:

Cancellation. Lessee shall have the continuous right to cancel the Lease at or any time after the twenty-fourth (24th) month of the extended lease term by providing Lessor with at least one hundred twenty (120) days prior written notice. In the event of such cancellation, Lessee agrees to reimburse Lessor for any remaining unamortized balance of verified Tenant Improvement and brokerage expenses amortized at nine percent (9%) per annum.

Notwithstanding anything to the contrary, all other terms and conditions contained in Lease No. 65676 and Amendments No. 1 and No. 2 shall remain unchanged and are hereby reaffirmed.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 3 to lease No. 65676 or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment No. 3 to be executed on its behalf by the Chair of said Board and attested by the Clerk thereof the day, month and year first above written.

LESSOR:

EOP-CERRITOS TOWNE CENTER, LLC, a Delaware limited liability company

By: EOP Operating Limited Partnership, a Delaware limited partnership, its sole member

By: Equity Office Properties Trust, a Maryland real estate investment trust, its general partner

By:_____

Its:_____

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

LESSEE:

COUNTY OF LOS ANGELES

By:_____
Deputy

By:_____
Chair, Board of Supervisors

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By:_____
Deputy: Francis E. Scott